Message Text

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E.O. 11652: GDS

TAGS: MPOL, NATO

SUBJECT: LONG-TERM DEFENSE PROGRAM - COSTING

REF: USNATO 13105, DTG 281629Z DEC 77

1. WHILE WE TOO ARE UNCERTAIN AS TO HOW MUCH DETAILED AND ACCURATE COST DATA TASK FORCE (TF) CAN AMASS TO BUTTRESS THEIR PROGRAM PROPOSALS, IT IS NEVERTHELESS ESSENTIAL TO KEEP THE PRESSURE ON FOR AS MUCH COSTING AS POSSIBLE, RIGHT UP TO MINISTERIAL. AT LEAST A BALLPARK IDEA OF CONFIDENTIAL

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COSTS, EVEN SHEER ESTIMATES, IS IMPORTANT TO MAKING LTDP AS PROGRAMMATIC AS POSSIBLE, AND SHAPING NATIONAL COMMITMENTS. HOW CAN A NATION MAKE A COMMITMENT WITHOUT ANY IDEA AS TO LIKELY COST?

2. HENCE WE STRONGLY FAVOR SPREAD SHEETS, EVEN IF TFS MUST SUBMIT THEM WITH LARGE BLANKS WHERE NATIONAL DATA HAS

NOT BEEN FORTHCOMING. IN FACT, WE FAVOR ENCOURAGING TFS TO INCLUDE THEIR OWN BEST ESTIMATES AS TO COSTS, WHICH NATIONS CAN THEN MODIFY ON CRITIQUE IN EWG. AFTER ALL, ON SOME PROGRAMS, ESPECIALLY FOR LONGER TERM, VALID COST DATA WILL BE SPARSE OR UNAVAILABLE IN ANY CASE.

3. NOR WILL COSTING PROCESS END WHEN TF REPORTS ARE

SUBMITTED. WE WILL ATTEMPT TO PROVIDE US COST ESTIMATES FOR ALLIED AS WELL AS US CONTRIBUTIONS, BOTH TO TFS AND LATER TO EWG.

- 4. INDEED, WE SEE BEST TF OR US GUESSES ON COSTS AS A MEANS OF SMOKING OUT THAT NATIONAL COST DATA WHICH HAS NOT YET BEEN REPORTED TO TFS.
- 5. AS TO RATIONALE FOR SUMMARIZING COSTS BY FIVE-YEAR SEGMENTS, THIS IS SIMPLY AN ATTEMPT TO SEGREGATE NEAR AND MID-TERM COSTS FROM LONG-TERM COSTS. IF DATA IS AVAILABLE, THIS IS NO ADDED BURDEN. MOREOVER, FOR LONG-TERM POST-1984 PROGRAMS WHERE ANNUAL AND NATIONAL COST BREAKDOWNS ARE UNLIKELY TO BE FEASIBLE, A FIVE-YEAR ROUGH ESTIMATE MAY NONETHELESS BE FEASIBLE.
- 6. AS TO PETERS' LETTER AND OTHER SIGNS OF UK RESERVA-TIONS, INCLUDING NEGATIVE STATEMENTS BY UK MILREP DURING CONFIDENTIAL

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MC MEETINGS, WE QUITE AGREE THAT POSSIBLE UK SPOILING TACTICS SHOULD BE IDENTIFIED FOR WHAT THEY ARE. WE, TOO, ARE CONCERNED OVER MOUNTING SIGNS OF UK NEGATIVISM ON THE KIND OF LTDP WE WANT, AND ARE CONCERNED LEST THIS NEGATIVISM INFECT OTHER CAUTIOUS ALLIES AND SLOW DOWN LTDP TO UK-PREFERRED PACE. BRITISH ARE OBVIOUSLY CONCERNED LEST LTDP CALL FOR FISCAL COMMITMENTS WHICH LONDON IS UNABLE TO ACCEPT AS YET. HOWEVER, WE WOULD MUCH PREFER TO HAVE A GOOD LTDP, WITH UK RESERVATIONS STATED, THAN SO VAGUE AN LTDP THAT LONDON COULD READILY ENDORSE IT. MISSION SHOULD INITIATE EXPLORATORY DISCUSSIONS AT DEFAD LEVEL TO DETERMINE WHAT LIES BEHIND UK ATTITUDE. FOLLOW-UP ACTION COULD BE TAKEN HERE, IN LONDON OR AT NATO DEPENDING ON DISCUSSION OUTCOMES AND MISSION VIEWS.

CHRISTOPHER

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